

DECISION



THE COMPTROLLER GENERAL
OF THE UNITED STATES
WASHINGTON, D. C. 20548

10,489

FILE: B-193968

DATE: June 18, 1979

MATTER OF: United Peoples Laundry, Inc.

DL6701836

DIGEST:

Where nine days elapse between receipt at Government installation of properly addressed invoice and delivery to addressee, one percent/20 day prompt payment discount is not earned even though payment made on 20th day after receipt of invoice by addressee.

The Accounting and Finance Officer, Travis Air Force Base, California, has requested an advance decision as to the propriety of the payment of a claim by United Peoples Laundry, Inc. (UPL), for the refund of prompt payment discounts taken by the Air Force under two purchase orders for laundry services from April 1, 1978, through June 30, 1978.

[Claim

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The purchase orders provided for one percent/20-day discounts, and stated that the discount period would be computed "from the date the correct invoice or voucher is received in the office specified by the Government" (the Base Accounting and Finance Office (AFO) in this instance), if that date were later than the date of delivery.

The record indicates that properly prepared, identified, and addressed invoices for the services were sent by UPL to the AFO by certified mail and that they were delivered to an office designated by the Base for the receipt of certified and registered mail on July 10. The certified mail receipt was signed on July 10 by an employee of the designated office. The invoices were then forwarded to another location on the Base on July 11, and arrived at the AFO on July 19. Apparently, they were misdirected by Government personnel. Payment less a one percent discount was made on August 8.

The Air Force suggests that the discount was earned because payment was made within 20 days after receipt of the invoices at the AFO. UPL argues that since the invoices were properly prepared, identified, and correctly addressed to the AFO, sent by

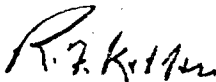
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certified mail and receipted on July 10, the discount period began to run on that date. On that basis, UPL contends that the payment 29 days thereafter should not have included the discount.

Because the Base has designated a particular location for the receipt of registered and certified mail addressed to other offices at the installation, we believe that UPL's responsibility to deliver the invoices to the AFO ended with the delivery of the certified mail at that location. See Hayden Manufacturing Company, Inc., ASBCA No. 12713, 68-1 BCA § 7038 (May 21, 1968), at p. 32,541; B-174410, June 30, 1972. See also B-151143, June 6, 1963 (in which we held that a gratuitous promise by a Government employee to forward an invoice to the specified office does not relieve the contractor of the duty to deliver the invoice to that office for discount purposes).

Nevertheless, in our view, /contractors must assume that mail directed to a particular office in a Government installation will normally be delivered to a central mailroom by the Postal Service for later distribution by employees of the installation. Since by contract, the discount period was not to commence until receipt of the invoice at the designated office, we believe that receipt at a central mail facility cannot be considered receipt at the specified location. Rather, the Government must be afforded a reasonable time to dispatch mail to the addressee before the discount period can be considered to commence. /

Here, /the record indicated /that the mail was misdirected by the Government as it was not received at the proper location until nine days after delivery by the Postal Service. Thus the delay in payment was not due to any negligence on the part of the contractor, but was caused by the actions of Government personnel, and although payment was made on the 20th day after receipt of the invoice at AFO, the discounts were not earned because of the unreasonable delay and should be refunded. / See Executive-Suite Services, Inc., B-192145, July 7, 1978, 78-2 CPD 23; B-172812, January 13, 1972.


Acting Comptroller General
of the United States